

## RENTAL MARKET REPORT

Kelowna CMA



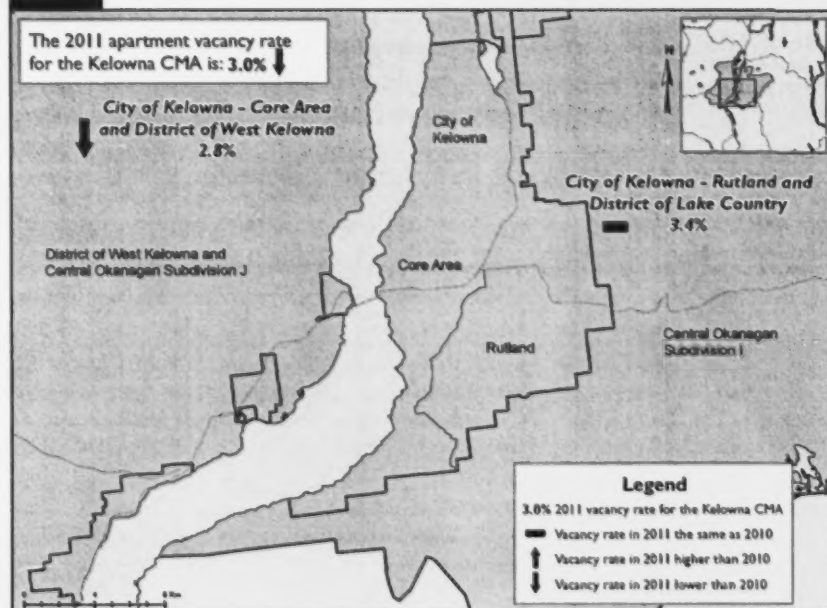
CANADA MORTGAGE AND HOUSING CORPORATION

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## Vacancy Rate Moves Lower in 2011

- The Kelowna area apartment vacancy rate was 3.0 per cent in October 2011 compared to 3.5 per cent in 2010<sup>1</sup>.
- Apartment rents in 2011 have recorded minimal change for the second straight year.
- The Kelowna area apartment vacancy rate is expected to move higher in 2012. Rents are forecast to edge up next year in line with inflation.
- Kelowna will record additions to the stock of purpose-built rental apartment housing in 2011 and 2012.

Figure 1



<sup>1</sup> Due to seasonal factors, the results of the October 2011 Rental Market Survey are not directly comparable with the results from the April 2011 Rental Market Survey.

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## Rental Apartment Vacancy Rate Declines

Kelowna's apartment vacancy rate was 3.0 per cent in October 2011 compared to 3.5 per cent in October 2010. Modest employment growth this year, combined with rising enrolment at both the University of British Columbia – Okanagan Campus (UBCO) and Okanagan College resulted in slightly increased demand for rental housing during the second half 2011. Easing first-time home buyer demand also contributed to lower apartment vacancy rates this year as fewer renters made the move to home ownership. Residents temporarily displaced from two large fire-damaged apartment buildings boosted demand for rental accommodation, helping to bring vacancy rates lower.

Employment growth, a key driver of rental housing demand, edged higher in 2011. The commercial construction industry and service sector, including retail trade and professional, scientific and technical industries have been the largest source of employment growth this year. Kelowna's unemployment rate, though remaining above levels recorded during the mid 2000s, has trended lower since mid year. Enrolment at UBC Okanagan has more than doubled in just five years, increasing to 7,900 students by 2011. Notwithstanding the availability of more on-campus student housing, rising enrolment has remained a significant source of demand for private sector rental buildings.

While Kelowna's apartment vacancy rate has moved lower, strong competition from the secondary rental market, including investor-owned rental units and accessory suites has kept vacancy rates above the ten year average. Additions to

Figure 2



the stock of purpose-built rental housing, including non-profit and privately-initiated rental apartments also provided renters with increased choice in 2011.

The Core area apartment vacancy rate declined to 2.8 per cent from 3.5 per cent in October 2010 with lower vacancy rates being reported across all bedroom types. The apartment buildings damaged by fire earlier this year are located in the Core area. It is likely that displaced residents preferred to remain in the same neighbourhood, boosting demand for Core area rental accommodation. The Rutland area apartment vacancy rate remained essentially unchanged from October 2010.

Rental buildings constructed after 1990 recorded fewer vacancies compared to a year ago. Many renters have upgraded to newer accommodation, taking advantage of increased choice and more favourable rents, pushing vacancy rates lower in newer buildings. Newer rental buildings are often better equipped

to facilitate sharing of rental units among non family households, since many have two bathrooms. The fire-damaged buildings were higher-end projects and many displaced residents would likely seek similar quality rental accommodation. Vacancy rates were highest in structures with less than twenty units as this segment of the apartment stock tends to be older than larger buildings. Most rental apartments built since the mid 1970s have at least 30 units.

The townhouse vacancy rate rose to 4.6 per cent from 2.7 per cent in October 2010. While both the Core Area and Rutland locations recorded higher townhouse vacancy rates this year, the increase does not represent many units. Slightly higher townhouse vacancy rates are attributed to competition from investor-owned rentals and the home ownership market. With the majority of purpose-built rental townhouses at least twenty years old, some renters have chosen to upgrade to newer, more fully featured townhouse condominiums.

The apartment availability rate declined to 4.0 per cent in October 2011 from 4.5 per cent a year earlier; indicating that monthly turnover among tenants has begun to stabilize. CMHC's availability rate includes vacant units and units for which the existing tenant has given or received notice to move, and a new tenant has not signed a lease.

Strong price competition continued to dampen upward pressure on average rents during the past year. Apartment average rents stabilized, edging lower in 2011 despite slightly lower vacancy rates. CMHC's same sample survey of rents measures the change in rent for units common to both the October 2010 survey and October 2011 survey. This measure mitigates the impact of new structures added to the rental universe between surveys and provides a more accurate indication of rent change. For apartments, rents declined an estimated 0.6 per cent overall while townhouse rents recorded a small increase.

## Vacancy Rates Forecast to Move Higher in 2012

Kelowna's apartment vacancy rate is forecast to increase in 2012. While employment growth will likely support demand for rental housing next year, other factors are expected to push vacancy rates higher in 2012.

Purpose-built apartment rental accommodation will continue to face competition from investor-owned rentals next year. The supply of existing homes available for sale and inventories of new completed and unoccupied units, key sources of investor-owned rentals, are slowly trending lower, but forecast to remain at high levels through the first half of 2012. The home ownership market will continue to attract renters. Homebuyers will benefit from low mortgage interest rates, stable prices and ample choice of new and existing homes in 2012.

The stock of purpose-built rental housing expanded with the addition of newly constructed apartment units

in 2011. This was partially offset by temporary removals from the survey. Additions to the stock of apartment rental housing are expected to outstrip growth in demand, contributing to higher vacancy rates next year. With construction costs coming down, rental construction has become a more viable development option than in recent years. Starts of purpose-built privately and publicly-initiated rental apartment housing and conversions of buildings initially intended as condominiums totalled 212 units in 2010 – the highest annual level since the early 2000s. Another 100 units per annum are forecast this year and next.

Fire damaged buildings currently undergoing repairs will come back on stream next year, drawing some displaced residents from other rental accommodation.

Many detached homes are now being built with secondary rental suites, adding to the supply of rental housing. According to municipal building permit data, single unit accessory suites were the largest source of new, private, purpose-built rental accommodation during the six year period 2004 – 2009 inclusive. UBC Okanagan is expected to proceed with additional on-campus student housing during the next several years.

Rents will edge up slightly next year in response to stable vacancy rates. Average rent levels for one and two bedroom apartment units are forecast at \$745 and \$925 per month, respectively, in 2012.

Figure 3



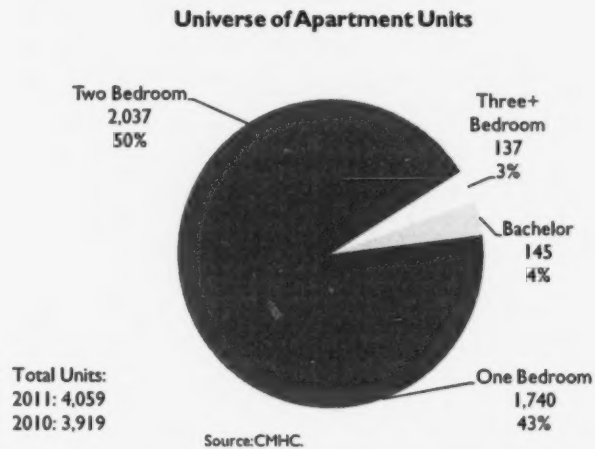
## Secondary Rental Market

CMHC's October 2011 Rental Market Survey includes information on the secondary rental market, dwelling types other than purpose-built apartment and townhouse rental projects.

This survey estimates the number of households in rented single detached, semi-detached, duplex, row and accessory apartment units. Rented apartment condominiums are not included in the survey. The survey also establishes average rents by bedroom and dwelling type. The results are shown in Tables 5.1 and 5.2. The additional information helps provide a more complete picture of the rental market.

Figure 4

### Stock of Purpose-Built Rental Apartments Expands



Apartment Vacancy Rates (%) by Major Centres		
	Oct. 2010	Oct. 2011
Abbotsford	6.5	6.7
Barrie	3.4	1.7
Brantford	3.7	1.8
Calgary	3.6	1.9
Edmonton	4.2	3.3
Gatineau	2.5	2.2
Greater Sudbury	3.0	2.8
Guelph	3.4	1.1
Halifax	2.6	2.4
Hamilton	3.7	3.4
Kelowna	3.5	3.0
Kingston	1.0	1.1
Kitchener-Cambridge-Waterloo	2.6	1.7
London	5.0	3.8
Moncton	4.2	4.3
Montréal	2.7	2.5
Oshawa	3.0	1.8
Ottawa	1.6	1.4
Peterborough	4.1	3.5
Québec	1.0	1.6
Regina	1.0	0.6
Saguenay	1.8	1.4
Saint John	5.1	5.9
Saskatoon	2.6	2.6
Sherbrooke	4.6	4.7
St. Catharines-Niagara	4.4	3.2
St. John's	1.1	1.3
Thunder Bay	2.2	1.7
Toronto	2.1	1.4
Trois-Rivières	3.9	3.9
Vancouver	1.9	1.4
Victoria	1.5	2.1
Windsor	10.9	8.1
Winnipeg	0.8	1.1
<b>Total</b>	<b>2.6</b>	<b>2.2</b>

## National Vacancy Rate Decreased in October 2011

The average rental apartment vacancy rate in Canada's 35 major centres<sup>2</sup> decreased to 2.2 per cent in October 2011 from 2.6 in October 2010. Immigration and increased employment in the under 25 years age group have been factors supporting demand for rental units.

The major centres with the lowest vacancy rates in October 2011 were Regina (0.6 per cent), Winnipeg, Kingston and Guelph (1.1 per cent), and St. John's (1.3 per cent). The major centres with the highest vacancy rates were Windsor (8.1 per cent), Abbotsford (6.7 per cent), Saint John (5.9 per cent), Sherbrooke (4.7 per cent), and Moncton (4.3 per cent).

The Canadian average two-bedroom rent was up from \$860 in October 2010 to \$883 in October 2011. With respect to the CMAs, the highest average monthly rents for two-bedroom apartments in new and existing structures in Canada's major centres were in Vancouver (\$1,237), Toronto (\$1,149), Ottawa (\$1,086), Calgary (\$1,084), Victoria (\$1,045), Edmonton (\$1,034) and Barrie (\$1,001). The lowest average monthly

rents for two-bedroom apartments were in Trois-Rivières (\$547), Saguenay (\$557), and Sherbrooke (\$577).

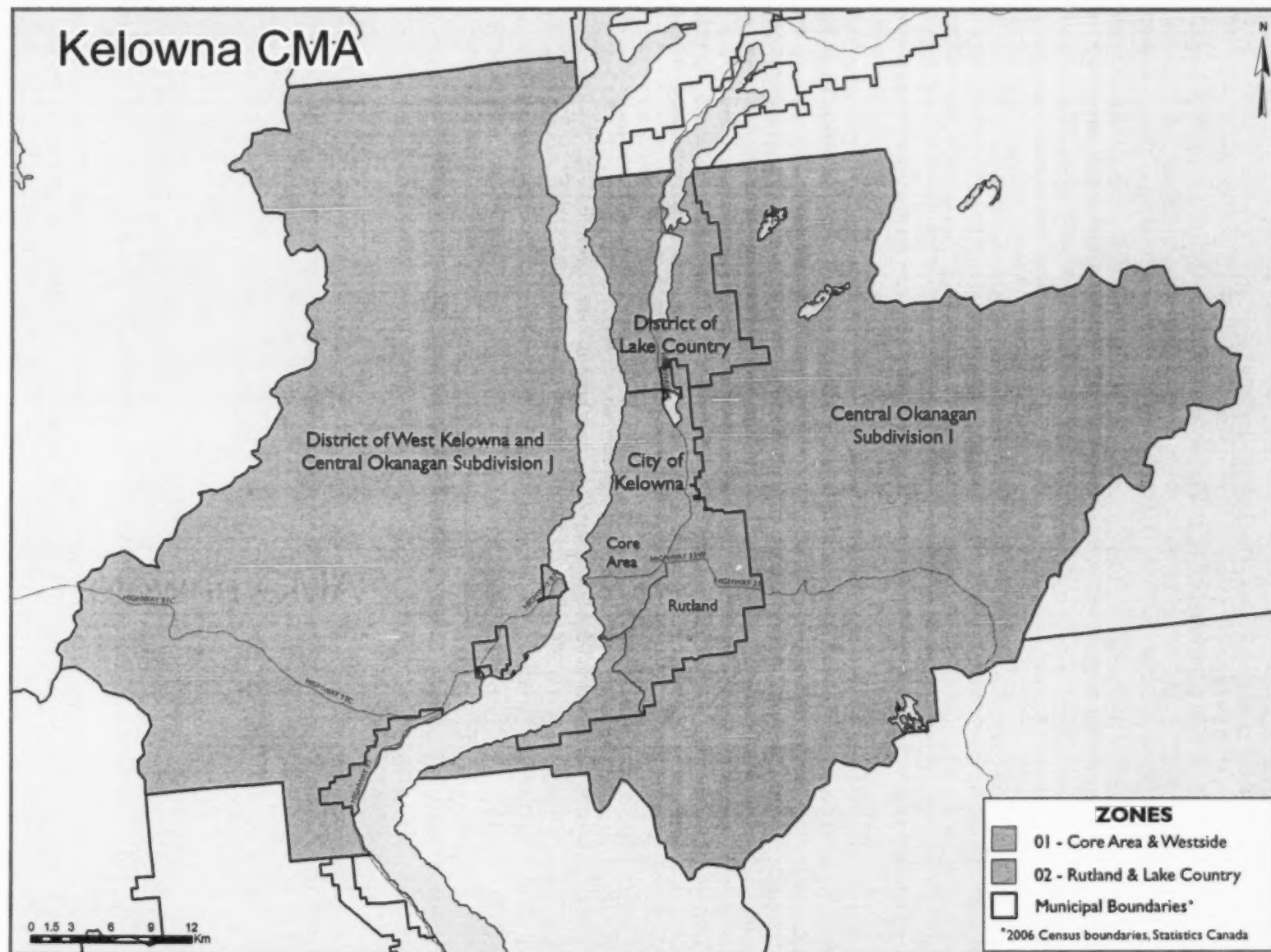
Overall, the average rent for two-bedroom apartments in existing structures across Canada's 35 major centres increased 2.2 per cent between October 2010 and October 2011, a similar pace of rent increase to what was observed between October 2009 and October 2010 (2.4 per cent) and roughly in line with inflation (2.9 per cent).

CMHC's October 2011 Rental Market Survey also covers condominium apartments offered for rent in Victoria, Vancouver, Calgary, Edmonton, Regina, Saskatoon, Winnipeg, Toronto, Ottawa, Montréal, and Québec. Vacancy rates for rental condominium apartments were 2.0 per cent or below in 7 of the 11 centres surveyed. Rental condominium vacancy rates were the lowest in Saskatoon (0.4 per cent), Regina (0.6 per cent), and Vancouver (0.9 per cent). The highest vacancy rates for rental condominium apartments occurred in Calgary (5.7 per cent), Edmonton (3.7 per cent), and Montréal (2.8 per cent).

<sup>2</sup> Major centres are based on Statistics Canada Census Metropolitan Areas (CMAs) with the exception of the Ottawa-Gatineau CMA which is treated as two centres for Rental Market Survey purposes and Charlottetown which is a Census Agglomeration (CA).



# Kelowna CMA



RMS ZONE DESCRIPTIONS - KELOWNA CMA	
Zone 1	City of Kelowna - Core area and the District of West Kelowna.
Zone 2	City of Kelowna - Rutland Area and the District of Lake Country.
Zones 1-2	Kelowna CMA

## RENTAL MARKET REPORT TABLES

### Available in ALL Rental Market Reports

#### Private Apartment Data:

- 1.1.1 Vacancy Rates (%) by Zone and Bedroom Type
- 1.1.2 Average Rents (\$) by Zone and Bedroom Type
- 1.1.3 Number of Units - Vacant and Universe by Zone and Bedroom Type
- 1.1.4 Availability Rates (%) by Zone and Bedroom Type
- 1.1.5 Estimate of Percentage Change (%) of Average Rent
- 1.2.1 Vacancy Rates (%) by Year of Construction and Bedroom Type
- 1.2.2 Average Rents (\$) by Year of Construction and Bedroom Type
- 1.3.1 Vacancy Rates (%) by Structure Size and Bedroom Type
- 1.3.2 Average Rents (\$) by Structure Size and Bedroom Type
- 1.4 Vacancy Rates (%) by Rent Range and Bedroom Type

### Available in SELECTED Rental Market Reports

#### Private Apartment Data:

- 1.3.3 Vacancy Rates (%) by structure Size and Zone

#### Private Row (Townhouse) Data:

- 2.1.1 Vacancy Rates (%) by Zone and Bedroom Type
- 2.1.2 Average Rents (\$) by Zone and Bedroom Type
- 2.1.3 Number of Units - Vacant and Universe by Zone and Bedroom Type
- 2.1.4 Availability Rates (%) by Zone and Bedroom Type
- 2.1.5 Estimate of Percentage Change (%) of Average Rent

#### Private Apartment and Row (Townhouse) Data:

- 3.1.1 Vacancy Rates (%) by Zone and Bedroom Type
- 3.1.2 Average Rents (\$) by Zone and Bedroom Type
- 3.1.3 Number of Units - Vacant and Universe by Zone and Bedroom Type
- 3.1.4 Availability Rates (%) by Zone and Bedroom Type
- 3.1.5 Estimate of Percentage Change (%) of Average Rent

### Available in the Quebec, Montreal, Ottawa, Toronto, Regina, Saskatoon, Edmonton, Calgary, Winnipeg, Vancouver and Victoria Reports

#### Rental Condominium Apartment Data

- 4.1.1 Rental Condominium Apartments and Private Apartments in the RMS - Vacancy Rates (%)
- 4.1.2 Rental Condominium Apartments and Private Apartments in the RMS - Average Rents (\$)
- 4.1.3 Rental Condominium Apartments - Average Rents (\$)
- 4.2.1 Rental Condominium Apartments and Private Apartments in the RMS - Vacancy Rates (%) by Building Size
- 4.3.1 Condominium Universe, Rental Units, Percentage of Units in Rental and Vacancy Rate
- 4.3.2 Condominium Universe, Rental Units, Percentage of Units in Rental and Vacancy Rate by Building Size

### Available in the Montreal, Toronto, Vancouver, St. John's, Halifax, Quebec, Barrie, Ottawa, Regina, Winnipeg, Saskatoon, Calgary, Edmonton, Abbotsford, Kelowna and Victoria Reports

#### Secondary Rented Unit Data

- 5.1 Secondary Rented Unit Average Rents (\$) by Dwelling Type
- 5.2 Estimated Number of Households in Secondary Rented Units and Estimated Percentage of Households in Secondary Rented Units by Dwelling Type



1.1.1 Private Apartment Vacancy Rates (%) by Zone and Bedroom Type Kelowna CMA										
Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Zone 1 - Core Area	3.2 a	3.1 c	2.8 a	2.0 a	4.1 a	3.6 a	6.3 b	4.2 a	3.5 a	2.8 a
Zone 2 - Rutland	14.3 a	**	2.4 a	2.0 a	3.7 a	4.2 a	0.0 a	0.0 a	3.3 a	3.4 a
Kelowna CMA	3.8 a	3.0 b	2.8 a	2.0 a	4.0 a	3.7 a	4.2 a	3.1 a	3.5 a	3.0 a

The following letter codes are used to indicate the reliability of the estimates:

a - Excellent, b - Very good, c - Good, d - Fair (Use with Caution)

\*\* Data suppressed to protect confidentiality or data not statistically reliable.

n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.2 Private Apartment Average Rents (\$) by Zone and Bedroom Type Kelowna CMA										
Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Zone 1 - Core Area	591 a	586 a	747 a	741 a	915 a	932 a	991 a	1,068 a	822 a	835 a
Zone 2 - Rutland	524 c	590 b	678 a	692 a	851 a	898 a	1,061 b	1,046 a	821 a	860 a
Kelowna CMA	587 a	586 a	740 a	734 a	898 a	922 a	1,018 a	1,061 a	822 a	840 a

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):

a - Excellent ( $0 \leq cv \leq 2.5$ ), b - Very good ( $2.5 < cv \leq 5$ ), c - Good ( $5 < cv \leq 7.5$ ), d - Fair (Use with Caution) ( $7.5 < cv \leq 10$ )

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### 1.1.3 Number of Private Apartment Units in the Universe by Zone and Bedroom Type Kelowna CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Zone 1 - Core Area	126	138	1,575	1,565	1,441	1,491	80	97	3,222	3,291
Zone 2 - Rutland	7	7	167	175	482	546	41	40	697	768
Kelowna CMA	133	145	1,742	1,740	1,923	2,037	121	137	3,919	4,059

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Please click Methodology or Data Reliability Tables Appendix link for more details

### 1.1.4 Private Apartment Availability Rates (%) by Zone and Bedroom Type Kelowna CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Zone 1 - Core Area	4.8 a	3.9 c	4.1 a	3.3 a	5.2 a	4.8 a	6.3 b	5.4 a	4.7 a	4.1 a
Zone 2 - Rutland	14.3 a	**	2.4 a	2.0 a	4.1 a	4.6 a	0.0 a	0.0 a	3.6 a	3.7 a
Kelowna CMA	5.3 a	3.7 c	3.9 a	3.1 a	4.9 a	4.7 a	4.2 a	3.9 a	4.5 a	4.0 a

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### 1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent<sup>1</sup> by Bedroom Type Kelowna CMA

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-09 to Oct-10	Oct-10 to Oct-11	Oct-09 to Oct-10	Oct-10 to Oct-11	Oct-09 to Oct-10	Oct-10 to Oct-11	Oct-09 to Oct-10	Oct-10 to Oct-11	Oct-09 to Oct-10	Oct-10 to Oct-11
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Zone 1 - Core Area	2.4 c	-2.1 c	1.4 d	-0.7 b	-0.8 d	-0.8 a	++	-1.9 c	++	-1.0 a
Zone 2 - Rutland	++	**	**	**	++	1.2 d	-1.4 a	-1.0 a	++	++
<b>Kelowna CMA</b>	<b>2.3 c</b>	<b>-1.9 c</b>	<b>0.9 d</b>	<b>++</b>	<b>++</b>	<b>-0.5 b</b>	<b>++</b>	<b>-1.6 c</b>	<b>++</b>	<b>-0.8 b</b>

<sup>1</sup>The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

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++ Change in rent is not statistically significant. This means that the change in rent is not statistically different from zero (0).

n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

### 1.2.1 Private Apartment Vacancy Rates (%) by Year of Construction and Bedroom Type Kelowna CMA

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
<b>Kelowna CMA</b>										
Pre 1960	**	**	**	**	**	**	n/u	n/u	0.0 a	0.0 a
1960 - 1974	1.6 a	1.5 c	3.0 a	1.8 a	3.8 a	3.2 b	**	3.2 c	3.1 a	2.3 a
1975 - 1989	4.5 a	**	2.6 a	2.4 a	3.3 a	4.2 b	**	**	3.0 a	3.4 a
1990 - 1999	3.7 a	**	1.9 a	0.4 a	3.9 a	3.9 a	13.5 a	5.3 a	3.7 a	2.9 a
2000+	**	**	3.5 a	3.9 c	6.0 a	3.4 b	0.0 a	0.0 a	4.9 a	3.2 a
<b>Total</b>	<b>3.8 a</b>	<b>3.0 b</b>	<b>2.8 a</b>	<b>2.0 a</b>	<b>4.0 a</b>	<b>3.7 a</b>	<b>4.2 a</b>	<b>3.1 a</b>	<b>3.5 a</b>	<b>3.0 a</b>

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### 1.2.2 Private Apartment Average Rents (\$) by Year of Construction and Bedroom Type Kelowna CMA

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
<b>Kelowna CMA</b>										
Pre 1960	**	**	**	**	**	**	n/u	n/u	**	**
1960 - 1974	568 a	575 a	722 a	714 a	823 a	820 a	904 b	923 a	757 a	749 a
1975 - 1989	590 a	579 b	726 a	710 a	877 a	863 a	**	**	807 a	801 a
1990 - 1999	594 a	**	769 a	778 a	921 a	930 a	938 a	944 a	862 a	872 a
2000+	**	**	875 b	874 a	1,041 a	1,101 a	**	**	983 b	1,049 a
<b>Total</b>	<b>587 a</b>	<b>586 a</b>	<b>740 a</b>	<b>736 a</b>	<b>898 a</b>	<b>922 a</b>	<b>1,018 a</b>	<b>1,061 a</b>	<b>822 a</b>	<b>840 a</b>

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Please click Methodology or Data Reliability Tables Appendix link for more details

### 1.3.1 Private Apartment Vacancy Rates (%) by Structure Size and Bedroom Type Kelowna CMA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
<b>Kelowna CMA</b>										
3 to 5 Units	n/u	n/u	**	**	**	**	**	**	13.8 a	13.8 a
6 to 19 Units	0.0 a	**	2.7 b	5.6 c	6.6 a	1.1 a	**	0.0 a	4.6 a	3.2 b
20 to 49 Units	3.8 a	1.9 c	2.8 a	2.1 a	3.9 a	4.6 a	3.1 a	3.8 c	3.3 a	3.3 a
50 to 99 Units	4.2 a	0.0 c	3.0 a	1.0 a	3.3 a	3.6 a	0.0 a	1.3 a	3.1 a	2.4 a
100+ Units	**	**	**	**	**	**	n/u	n/u	**	**
<b>Total</b>	<b>3.8 a</b>	<b>3.0 b</b>	<b>2.8 a</b>	<b>2.0 a</b>	<b>4.0 a</b>	<b>3.7 a</b>	<b>4.2 a</b>	<b>3.1 a</b>	<b>3.5 a</b>	<b>3.0 a</b>

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### 1.3.2 Private Apartment Average Rents (\$) by Structure Size and Bedroom Type Kelowna CMA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
<b>Kelowna CMA</b>										
3 to 5 Units	n/u	n/u	**	**	**	**	**	**	873 <sup>b</sup>	860 <sup>a</sup>
6 to 19 Units	585 <sup>b</sup>	645 <sup>a</sup>	686 <sup>a</sup>	709 <sup>a</sup>	811 <sup>a</sup>	826 <sup>a</sup>	**	980 <sup>a</sup>	765 <sup>a</sup>	778 <sup>a</sup>
20 to 49 Units	578 <sup>a</sup>	550 <sup>a</sup>	737 <sup>a</sup>	722 <sup>a</sup>	890 <sup>a</sup>	909 <sup>a</sup>	948 <sup>b</sup>	945 <sup>a</sup>	806 <sup>a</sup>	817 <sup>a</sup>
50 to 99 Units	602 <sup>b</sup>	595 <sup>a</sup>	758 <sup>a</sup>	764 <sup>a</sup>	931 <sup>a</sup>	962 <sup>a</sup>	1,111 <sup>a</sup>	1,165 <sup>a</sup>	859 <sup>a</sup>	890 <sup>a</sup>
100+ Units	**	**	**	**	**	**	n/u	n/u	**	**
<b>Total</b>	587 <sup>a</sup>	586 <sup>a</sup>	740 <sup>a</sup>	736 <sup>a</sup>	898 <sup>a</sup>	922 <sup>a</sup>	1,018 <sup>a</sup>	1,061 <sup>a</sup>	822 <sup>a</sup>	840 <sup>a</sup>

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):

a - Excellent ( $0 \leq cv \leq 2.5$ ), b - Very good ( $2.5 < cv \leq 5$ ), c - Good ( $5 < cv \leq 7.5$ ), d - Fair (Use with Caution) ( $7.5 < cv \leq 10$ )

\*\* Data suppressed to protect confidentiality or data not statistically reliable.

n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

### 1.4 Private Apartment Vacancy Rates (%) by Rent Range and Bedroom Type Kelowna CMA

Rent Range	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
<b>Kelowna CMA</b>										
LT \$400	**	**	n/s	n/s	n/s	n/s	n/s	n/s	**	**
\$400 - \$499	**	**	**	**	n/s	n/s	n/s	n/s	**	**
\$500 - \$599	**	2.4 <sup>a</sup>	**	0.0 <sup>c</sup>	**	**	n/s	n/s	1.1 <sup>d</sup>	0.9 <sup>a</sup>
\$600 - \$799	3.8 <sup>d</sup>	5.1 <sup>d</sup>	2.7 <sup>a</sup>	2.8 <sup>a</sup>	3.2 <sup>d</sup>	0.9 <sup>a</sup>	**	**	3.0 <sup>a</sup>	2.7 <sup>a</sup>
\$800 - \$999	**	n/s	4.6 <sup>b</sup>	2.6 <sup>a</sup>	3.6 <sup>a</sup>	5.3 <sup>a</sup>	**	5.8 <sup>c</sup>	3.9 <sup>a</sup>	4.8 <sup>a</sup>
\$1000+	n/s	n/s	**	**	9.7 <sup>c</sup>	4.7 <sup>b</sup>	**	1.5 <sup>c</sup>	8.1 <sup>c</sup>	4.1 <sup>b</sup>
<b>Total</b>	3.8 <sup>a</sup>	3.0 <sup>b</sup>	2.8 <sup>a</sup>	2.0 <sup>a</sup>	4.0 <sup>a</sup>	3.7 <sup>a</sup>	4.2 <sup>a</sup>	3.1 <sup>a</sup>	3.5 <sup>a</sup>	3.0 <sup>a</sup>

The following letter codes are used to indicate the reliability of the estimates:

a - Excellent, b - Very good, c - Good, d - Fair (Use with Caution)

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n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

**2.1.1 Private Row (Townhouse) Vacancy Rates (%)**  
**by Zone and Bedroom Type**  
**Kelowna CMA**

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Zone 1 - Core Area	n/u	n/u	**	**	2.1 a	5.0 a	3.8 a	4.1 a	2.4 a	5.0 a
Zone 2 - Rutland	n/u	n/u	0.0 a	15.4 a	4.0 a	4.2 b	0.0 a	0.0 c	3.0 a	4.2 b
Kelowna CMA	n/u	n/u	0.0 a	12.5 a	3.1 a	4.6 b	2.2 a	2.3 a	2.7 a	4.6 b

The following letter codes are used to indicate the reliability of the estimates:

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n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

**2.1.2 Private Row (Townhouse) Average Rents (\$)**  
**by Zone and Bedroom Type**  
**Kelowna CMA**

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Zone 1 - Core Area	n/u	n/u	**	**	890 a	901 a	1,026 a	1,006 a	911 a	913 a
Zone 2 - Rutland	n/u	n/u	601 a	595 b	833 a	827 b	1,113 b	1,186 b	872 a	867 b
Kelowna CMA	n/u	n/u	650 a	642 a	861 a	862 a	1,066 a	1,080 a	892 a	890 a

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):

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### 2.1.3 Number of Private Row (Townhouse) Units in the Universe by Zone and Bedroom Type Kelowna CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Zone 1 - Core Area	0	0	12	11	140	141	53	49	205	201
Zone 2 - Rutland	0	0	13	13	151	150	36	36	200	199
Kelowna CMA	0	0	25	24	291	291	89	85	405	400

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### 2.1.4 Private Row (Townhouse) Availability Rates (%) by Zone and Bedroom Type Kelowna CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Zone 1 - Core Area	n/u	n/u	**	**	2.9 a	5.0 a	3.8 a	4.1 a	2.9 a	5.0 a
Zone 2 - Rutland	n/u	n/u	0.0 a	15.4 a	6.6 a	4.2 b	0.0 a	0.0 a	5.0 a	4.2 b
Kelowna CMA	n/u	n/u	0.0 a	12.5 a	4.8 a	4.6 b	2.2 a	2.3 a	4.0 a	4.6 b

The following letter codes are used to indicate the reliability of the estimates:

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Please click Methodology or Data Reliability Tables Appendix link for more details

### 2.1.5 Private Row (Townhouse) Estimate of Percentage Change (%) of Average Rent<sup>1</sup> by Bedroom Type Kelowna CMA

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-09 to Oct-10	Oct-10 to Oct-11	Oct-09 to Oct-10	Oct-10 to Oct-11	Oct-09 to Oct-10	Oct-10 to Oct-11	Oct-09 to Oct-10	Oct-10 to Oct-11	Oct-09 to Oct-10	Oct-10 to Oct-11
	Oct-09 to Oct-10	Oct-10 to Oct-11	Oct-09 to Oct-10	Oct-10 to Oct-11	Oct-09 to Oct-10	Oct-10 to Oct-11	Oct-09 to Oct-10	Oct-10 to Oct-11	Oct-09 to Oct-10	Oct-10 to Oct-11
Zone 1 - Core Area	n/u	n/u	**	**	4.0 d	1.3 a	**	1.9 c	++	1.8 b
Zone 2 - Rutland	n/u	n/u	-1.4 d	**	++	++	++	**	++	++
Kelowna CMA	n/u	n/u	++	-2.0 c	++	0.5 b	**	3.1 d	++	1.1 a

<sup>1</sup>The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

The following letter codes are used to indicate the reliability of the estimates:

a - Excellent, b - Very good, c - Good, d - Fair (Use with Caution)

\*\* Data suppressed to protect confidentiality or data not statistically reliable.

++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).

n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

### 3.1.1 Private Row (Townhouse) and Apartment Vacancy Rates (%) by Zone and Bedroom Type Kelowna CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Zone 1 - Core Area	3.2 a	3.1 c	2.8 a	2.1 a	3.9 a	3.7 a	5.3 a	4.2 a	3.4 a	3.0 a
Zone 2 - Rutland	14.3 a	**	2.2 a	2.9 a	3.8 a	4.2 a	0.0 a	0.0 c	3.2 a	3.6 a
Kelowna CMA	3.8 a	3.0 b	2.7 a	2.2 a	3.9 a	3.9 a	3.4 a	2.8 a	3.4 a	3.1 a

The following letter codes are used to indicate the reliability of the estimates:

a - Excellent, b - Very good, c - Good, d - Fair (Use with Caution)

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### 3.1.2 Private Row (Townhouse) and Apartment Average Rents (\$) by Zone and Bedroom Type Kelowna CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Zone 1 - Core Area	591 a	586 a	747 a	741 a	913 a	929 a	1,005 a	1,047 a	828 a	840 a
Zone 2 - Rutland	524 c	590 b	671 a	684 a	846 a	882 a	1,085 a	1,106 a	833 a	861 a
Kelowna CMA	587 a	586 a	739 a	734 a	893 a	914 a	1,038 a	1,068 a	829 a	845 a

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):

a - Excellent ( $0 \leq cv \leq 2.5$ ), b - Very good ( $2.5 < cv \leq 5$ ), c - Good ( $5 < cv \leq 7.5$ ), d - Fair (Use with Caution) ( $7.5 < cv \leq 10$ )

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Please click Methodology or Data Reliability Tables Appendix link for more details

### 3.1.3 Number of Private Row (Townhouse) and Apartment Units in the Universe by Zone and Bedroom Type Kelowna CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Zone 1 - Core Area	126	138	1,587	1,576	1,581	1,632	133	146	3,427	3,492
Zone 2 - Rutland	7	7	180	188	633	696	77	76	897	967
Kelowna CMA	133	145	1,767	1,764	2,214	2,328	210	222	4,324	4,459

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### 3.1.4 Private Row (Townhouse) and Apartment Availability Rates (%) by Zone and Bedroom Type Kelowna CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Zone 1 - Core Area	4.8 a	3.9 c	4.1 a	3.3 a	5.0 a	4.8 a	5.3 a	5.0 a	4.6 a	4.1 a
Zone 2 - Rutland	14.3 a	**	2.2 a	2.9 a	4.7 a	4.5 a	0.0 a	0.0 c	3.9 a	3.8 a
Kelowna CMA	5.1 a	3.7 c	3.9 a	3.3 a	4.9 a	4.7 a	3.4 a	3.3 a	4.4 a	4.0 a

The following letter codes are used to indicate the reliability of the estimates:

a - Excellent, b - Very good, c - Good, d - Fair (Use with Caution)

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### 3.1.5 Private Row (Townhouse) and Apartment Estimate of Percentage Change (%) of Average Rent<sup>1</sup> by Bedroom Type Kelowna CMA

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-09 to Oct-10	Oct-10 to Oct-11	Oct-09 to Oct-10	Oct-10 to Oct-11	Oct-09 to Oct-10	Oct-10 to Oct-11	Oct-09 to Oct-10	Oct-10 to Oct-11	Oct-09 to Oct-10	Oct-10 to Oct-11
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Zone 1 - Core Area	2.4 c	-2.1 c	1.4 d	-0.7 b	++	-0.7 a	++	-1.1 d	++	-0.8 a
Zone 2 - Rutland	++	**	**	**	++	++	-1.4 d	++	++	1.0 d
Kelowna CMA	2.3 c	-1.9 c	0.9 d	++	++	-0.4 b	++	++	++	-0.4 b

<sup>1</sup>The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

The following letter codes are used to indicate the reliability of the estimates:

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\*\* Data suppressed to protect confidentiality or data not statistically reliable.

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n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

### 5.1 Other Secondary Rented Unit<sup>1</sup> Average Rents (\$) by Dwelling Type Kelowna CMA - October 2011

	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
<b>Kelowna CMA</b>										
Single Detached	n/s	n/s	736 c	**	1,042 b	1,017 b	1,472 b	1,478 a	1,314 b	1,376 b
Semi detached, Row and Duplex	n/s	n/s	711 c	**	1,018 c	955 d	1,119 b	1,151 b	1,004 c	999 c
Other-Primarily Accessory Suites	n/s	n/s	532 d	**	1,017 c	866 b	**	1,130 c	874 d	881 b
<b>Total</b>	n/s	n/s	644 c	730 d	1,025 b	936 b	1,302 b	1,327 a	1,106 b	1,100 b

<sup>1</sup>Statistics for secondary rented units exclude apartments in purpose built rental structures with three rental units or more, condominium apartments, units in institutions, and any dwelling whose type could not be identified in the survey.

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):

a - Excellent ( $0 \leq cv \leq 2.5$ ), b - Very good ( $2.5 < cv \leq 5$ ), c - Good ( $5 < cv \leq 7.5$ ), d - Fair (Use with Caution) ( $7.5 < cv \leq 10$ )

\*\* Data suppressed to protect confidentiality or data not statistically reliable.

n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

### 5.2 Estimated Number of Households in Other Secondary Rented Units<sup>1</sup> by Dwelling Type Kelowna CMA - October 2011

	Estimated Number of Households in Other Secondary Rented Units <sup>1</sup>	
	Oct-10	Oct-11
<b>Kelowna CMA</b>		
Single Detached	3,274 a	3,017 a
Semi detached, Row and Duplex	4,403 b	3,562 b
Other-Primarily Accessory Suites	**	2,353 c
<b>Total</b>	8,719	8,932

<sup>1</sup>Statistics for secondary rented units exclude apartments in purpose built rental structures with three rental units or more, condominium apartments, units in institutions, and any dwelling whose type could not be identified in the survey.

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## TECHNICAL NOTE:

### ***Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):***

**Percentage Change of Average Rents (New and Existing Structures):** The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: \$500 in the previous year vs. \$550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

**Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):** This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.



## METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey (RMS)** every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data from sampled structures. Most RMS data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. In October 2006, CMHC introduced a new measure for the change in rent that is calculated based on existing structures only. This estimate is based on structures that were common to the survey sample the previous year and the current year of the Rental Market Survey. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in the Rental Market Report – Canada Highlights, Provincial Highlights, and the local Rental Market Reports. The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

## METHODOLOGY FOR SECONDARY RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts a survey of the **Secondary Rental Market (SRMS)** in September and October to estimate the relative strengths in the secondary rental market which is defined as those dwellings not covered by the regular RMS. CMHC has identified the following dwelling components to be included in SRMS:

- Rented single-detached houses.
- Rented double (semi-detached) houses (i.e., Two units of approximate equal size and under one roof that are situated either side-by-side or front-to-back).
- Rented freehold row/town homes.
- Rented duplex apartments (i.e., one-above-other).
- Rented accessory apartments (separate dwelling units that are located within the structure of another dwelling type).
- Rented condominiums (can be any dwelling type but are primarily apartments).
- One or two apartments which are part of a commercial or other type of structure.

The SRMS has three components which are conducted in selected CMAs:

- A Household Rent Survey of all households to collect information about rents.
- A Condominium Apartment Rent Survey of households living in condominium apartments to collect information about rents.
- A Condominium Apartment Vacancy Survey of condominium apartment owners to collect vacancy information.

All three surveys are conducted by telephone interviews. For the condominium apartment vacancy survey, information is obtained from the owner, manager, or building superintendent and can be supplemented by site visits if no telephone contact is made. For the other two surveys, information is collected from an adult living in the household. All surveys are conducted in September and October, and the results reflect market conditions at that time.

CMHC publishes the number of units rented and vacancy rates for the condominium vacancy survey. For the condominium rent and household rent surveys, the average rent is published. A letter code representing the statistical reliability (i.e., the coefficient of variation (CV)) for each estimate is provided to indicate the data reliability. Rented condominium apartments were surveyed in the following CMAs: Vancouver, Victoria, Calgary, Edmonton, Regina, Saskatoon, Winnipeg, Toronto, Ottawa, Montréal and Québec (NOTE: condo rent data was not collected for Regina and Saskatoon). Other secondary rental market units were surveyed in Abbotsford, Barrie, Calgary, Edmonton, Halifax, Montréal, Ottawa, Québec, St. John's, Toronto, Winnipeg, Regina, Saskatoon, Kelowna, Vancouver and Victoria.

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### ***Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):***

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- Rented single-detached houses.
- Rented double (semi-detached) houses (i.e., Two units of approximate equal size and under one roof that are situated either side-by-side or front-to-back).
- Rented freehold row/town homes.
- Rented duplex apartments (i.e., one-above-other).
- Rented accessory apartments (separate dwelling units that are located within the structure of another dwelling type).
- Rented condominiums (can be any dwelling type but are primarily apartments).
- One or two apartments which are part of a commercial or other type of structure.

The SRMS has three components which are conducted in selected CMAs:

- A Household Rent Survey of all households to collect information about rents.
- A Condominium Apartment Rent Survey of households living in condominium apartments to collect information about rents.
- A Condominium Apartment Vacancy Survey of condominium apartment owners to collect vacancy information.

All three surveys are conducted by telephone interviews. For the condominium apartment vacancy survey, information is obtained from the owner, manager, or building superintendent and can be supplemented by site visits if no telephone contact is made. For the other two surveys, information is collected from an adult living in the household. All surveys are conducted in September and October, and the results reflect market conditions at that time.

CMHC publishes the number of units rented and vacancy rates for the condominium vacancy survey. For the condominium rent and household rent surveys, the average rent is published. A letter code representing the statistical reliability (i.e., the coefficient of variation (CV)) for each estimate is provided to indicate the data reliability. Rented condominium apartments were surveyed in the following CMAs: Vancouver, Victoria, Calgary, Edmonton, Regina, Saskatoon, Winnipeg, Toronto, Ottawa, Montréal and Québec (NOTE: condo rent data was not collected for Regina and Saskatoon). Other secondary rental market units were surveyed in Abbotsford, Barrie, Calgary, Edmonton, Halifax, Montréal, Ottawa, Québec, St. John's, Toronto, Winnipeg, Regina, Saskatoon, Kelowna, Vancouver and Victoria.

## DEFINITIONS

**Availability:** A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

**Rent:** The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

**Rental Apartment Structure:** Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

**Rental Row (Townhouse) Structure:** Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

**Vacancy:** A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

**Definitions of Census Areas referred to in this publication are as follows:**

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2001 and 2006 Census area definitions.

### Acknowledgement

The Rental Market Survey and the Secondary Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

### Rental Affordability Indicator

Canada Mortgage and Housing Corporation has developed a rental affordability indicator to gauge how affordable a rental market is for those households which rent within that market. A centre's median income is divided by the level of income required for a household to rent a median priced two-bedroom apartment using 30 per cent of income. The result is then multiplied by 100. A value above 100 indicates that less than 30 per cent of the median income is required to rent a two-bedroom apartment, conversely, a value below 100 indicates that more than 30 per cent of the median income is required to rent the same unit. In general, as the indicator increases, the market becomes more affordable; as the indicator declines, the market becomes less affordable. For years for which the median income is not available, CMHC has developed forecasts.

Median renter household income estimates used in the calculation of the rental affordability indicator are based on results of Statistics Canada's Survey of Labour and Income Dynamics. Results for this survey are available from 1994 to 2009. CMHC has developed forecasts of median renter household income for 2010 and 2011. It should be noted that nominal values for both median rent and median incomes have been used to calculate the rental affordability indicator.

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